GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1743
ANSWERED ON:25.11.2016
GDP Growth
Kushwaha Shri Ram Kumar Sharma

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that Gross Domestic Product (GDP) growth is being driven by consumer sector rather than manufacturing sector;

(b) if so, the details thereof;

(c) whether the Seventh Pay Commission report and personal loans given by banks have boosted consumption in the country; and

(d) if so, the details thereof and the likely increase in GDP?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) & (b) As per the data released by the Central Statistics Office, the growth of Private Final Consumption Expenditure (PFCE) and Government Final Consumption Expenditure (GFCE) at (2011-12) prices was 7.4 per cent and 2.2 per cent respectively in 2015-16. The PFCE and GFCE constitute the total final consumption expenditure (which can be treated as a proxy to represent consumer sector and is a significant contributor to Gross Domestic Product (GDP) growth). As per the data released by the Central Statistics Office, the growth of manufacturing sector at (2011-12) prices was 9.3 per cent in 2015-16. The growth rate of Gross Value Added (GVA) at constant (2011-12) Basic Prices was 7.2 per cent in 2015-16 and that of GDP at constant (2011-12) market prices was 7.6 per cent.

(c) & (d) The level of consumption expenditure and the level of GDP in an economy depends on a number of factors and it is difficult to pin-point the impact of Seventh Pay Commission Report and personal loan given by banks on level of consumption and GDP.
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